

AMENDED IN SENATE MARCH 27, 2012

SENATE BILL

No. 1525

Introduced by Senator Padilla

February 24, 2012

An act to add Part 40.3 (commencing with Section 67450) to Division 5 of Title 3 of the Education Code, relating to ~~intercollegiate athletics~~ postsecondary education, and making an appropriation therefor.

LEGISLATIVE COUNSEL'S DIGEST

SB 1525, as amended, Padilla. ~~Intercollegiate athletics: academic and medical expenses of student-athletes: Title IX compliance. Postsecondary education: Student Athlete Bill of Rights.~~

Existing law provides for a system of postsecondary education in this state. This system includes 4 segments: the University of California, administered by the Regents of the University of California; the California State University, administered by the Trustees of the California State University; the California Community Colleges, administered by the Board of Governors of the California Community Colleges; and independent institutions of higher education.

This bill would enact the Student Athlete Bill of Rights, pursuant to which, commencing with the 2013–14 academic year, intercollegiate athletic programs at 4-year institutions of higher education in the state, as defined, would be required to comply with prescribed requirements. Among other things, the bill would require that, if an athletic program, as defined, does not renew the athletic scholarship of a qualifying student athlete, as defined, the institution of higher education would provide an equivalent scholarship, as prescribed. The bill would also require that athletic programs be responsible for any and all medical

expenses of its student athletes resulting from their participation in the athletic program.

The bill would establish the State Trust Fund under the administration of the State Trust Fund Executive Board. The bill would specify the membership of the State Trust Fund Executive Board, and would provide that the Controller preside over that board. The bill would continuously appropriate the funds deposited in the State Trust Fund to the Controller for expenditure for purposes of the Student Athlete Bill of Rights, thereby making an appropriation.

The bill, commencing with the 2013–14 academic year, would require an athletic program that receives, as an average, \$10,000,000 or more in annual revenue derived from media rights for intercollegiate athletics to pay a designated fee to the State Trust Fund.

The bill would require institutions of higher education subject to its provisions to set aside a certain amount to be used for achieving the gender equity requirements of a specified provision of federal law.

The bill would require the executive board to submit a report to the Governor and the Legislature with specified data related to fees collected and funds disbursed under the bill on or before August 1, 2014, and on or before August 1 every 3 years thereafter. This provision would become inoperative on January 1, 2021.

~~This bill would express the intent of the Legislature to enact legislation that would ensure that the academic and medical expenses of student athletes who are injured and no longer able to compete on behalf of California's postsecondary educational institutions are fully covered and would ensure that the state's postsecondary educational institutions comply with the gender equity requirements of a specified provision of federal law.~~

Vote: ~~majority~~^{2/3}. Appropriation: ~~no~~-yes. Fiscal committee: ~~no~~ yes. State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Part 40.3 (commencing with Section 67450) is
- 2 added to Division 5 of Title 3 of the Education Code, to read:

PART 40.3. STUDENT ATHLETE BILL OF RIGHTS

CHAPTER 1. PREAMBLE

67450. The Legislature finds and declares all of the following:

(a) Meeting the educational needs of student athletes should be a priority for intercollegiate athletic programs.

(b) Football and basketball student athletes generate large revenues for many athletic programs, spend approximately 40 hours per week participating in their respective sports, and suffer current and historically low graduation rates.

(c) Providing adequate health and safety protection for student athletes can help prevent serious injury and death.

(d) Current and former student athletes can be left to pay for medical expenses incurred from injuries suffered while participating in intercollegiate athletics.

(e) Institutions of higher education should provide their student athletes with the same due process protection afforded to students who do not participate in athletics.

(f) Athletic programs in this state are subject to gender equity requirements under Title IX of the Education Amendments of 1972 (20 U.S.C. Sec. 1681 et seq.).

(g) An institution of higher education should not punish any student athlete for transferring to another institution of higher education.

CHAPTER 2. GENERAL PROVISIONS

67451. For purposes of this part:

(a) “Athletic association” means any organization that is responsible for governing intercollegiate athletic programs.

(b) “Athletic program” means an intercollegiate athletic program at any institution of higher education within the meaning of subdivision (f).

(c) “Athletic scholarship shortfall” means the difference between an institution of higher education’s cost of attendance and the sum of a full grant-in-aid athletic scholarship, plus any stipend, excluding summer school, preseason, postseason, tournament, and expense payments.

1 (d) “Cost of attendance” means an institution of higher
2 education’s total annual instate oncampus expenses officially
3 reported to the United States Department of Education.

4 (e) “Executive board” means the State Trust Fund Executive
5 Board established pursuant to Section 67455.

6 (f) “Institution of higher education” means any campus of the
7 University of California or the California State University, or any
8 four-year private university located in California, that maintains
9 an intercollegiate athletic program.

10 (g) “State Trust Fund” means the State Trust Fund established
11 pursuant to Section 67455.

12 (h) “Qualifying student athlete” means a student athlete who
13 participates in either basketball or football, and who is in
14 compliance with athletic program academic and conduct standards.

15 (i) “Student athlete” means any college student who participates
16 in an intercollegiate athletic program of an institution of higher
17 education, and includes student athletes who participate in
18 basketball, football, and other intercollegiate sports.

19 67452. Commencing with the 2013–14 academic year, an
20 athletic program shall comply with all of the following:

21 (a) (1) If an athletic program does not renew an athletic
22 scholarship of a qualifying student athlete, the institution of higher
23 education shall provide an equivalent scholarship that, combined
24 with the total duration of any previous athletic scholarship or
25 scholarships received by the student athlete, will be provided for
26 a total of at least five years or until the student athlete completes
27 his or her undergraduate degree, whichever period is shorter.

28 (2) An athletic program may dismiss a student athlete from
29 participation in the program for cause. A student athlete who is
30 dismissed for cause from an athletic program shall receive no
31 benefits under this part, but may apply to the executive board for
32 reinstatement to eligibility for benefits under this part.

33 (b) Each athletic program shall conduct a financial and life
34 skills workshop for all of its first-year and third-year student
35 athletes at the beginning of the academic year. This workshop
36 shall include, but not be limited to, information concerning
37 financial aid, debt management, and a recommended budget for
38 full- and partial-scholarship student athletes living on or off
39 campus during the academic year and the summer term based on
40 the current academic year’s cost of attendance. The workshop

1 *shall also include information on time management skills necessary*
2 *for success as a student athlete, and academic resources available*
3 *on campus.*

4 *(c) An institution of higher education shall grant a student*
5 *athlete the same rights as other students with regard to any and*
6 *all matters related to possible adverse or disciplinary actions,*
7 *including, but not necessarily limited to, actions involving his or*
8 *her participation in the athletic program.*

9 *(d) An athletic program shall promptly approve a qualifying*
10 *student athlete's written request to transfer to another institution*
11 *of higher education without actively or passively imposing any*
12 *restrictions or conditions. Implementation of this subdivision by*
13 *an institution of higher education shall include, but not necessarily*
14 *be limited to, both of the following:*

15 *(1) Granting other institutions of higher education permission*
16 *to contact the student athlete.*

17 *(2) Waiving residency requirements, as permitted by athletic*
18 *association rules.*

19 *67453. (a) An athletic program shall be responsible for any*
20 *and all medical expenses of its student athletes resulting from their*
21 *participation in the athletic program. This subdivision shall apply*
22 *irrespective of whether the student athlete is still in school, has*
23 *graduated from the school, or has ceased being enrolled in the*
24 *school so long as the medical expenses result from the student*
25 *athlete's participation in the athletic program.*

26 *(b) An athletic program shall adopt and implement guidelines*
27 *to prevent, assess, and treat sports-related concussions and*
28 *dehydration. In addition, an athletic program shall adopt and*
29 *implement exercise and supervision guidelines for any student*
30 *athlete identified with potentially life-threatening health conditions*
31 *who participates in an athletic program.*

32
33 *CHAPTER 3. STATE TRUST FUND*
34

35 *67455. (a) The State Trust Fund is hereby established under*
36 *the administration of the State Trust Fund Executive Board. The*
37 *State Trust Fund Executive Board shall consist of five members,*
38 *as follows:*

39 *(1) The Controller, who shall serve as the presiding officer of*
40 *the executive board.*

1 (2) *A representative of the University of California, appointed*
2 *by and serving at the pleasure of the Regents of the University of*
3 *California.*

4 (3) *A representative of the California State University, appointed*
5 *by and serving at the pleasure of the Trustees of the California*
6 *State University.*

7 (4) *The President of the Association of Independent California*
8 *Colleges and Universities or his or her designee.*

9 (5) *A representative of the public, appointed by and serving at*
10 *the pleasure of the Governor.*

11 (b) *The executive board shall develop and adopt rules and*
12 *regulations for the implementation of this part.*

13 (c) *Notwithstanding Section 13340 of the Government Code,*
14 *the funds deposited in the State Trust Fund are continuously*
15 *appropriated to the Controller for expenditure for purposes of this*
16 *part.*

17 (d) (1) *Commencing with the 2013–14 academic year, an*
18 *institution of higher education with an athletic program that*
19 *receives, as an average, ten million dollars (\$10,000,000) or more*
20 *in annual revenue derived from media rights for intercollegiate*
21 *athletics, as determined by the Controller, shall be subject to this*
22 *chapter.*

23 (2) *An institution of higher education that receives, as an*
24 *average, less than ten million dollars (\$10,000,000) in annual*
25 *income derived from media rights for intercollegiate athletics is*
26 *not subject to this chapter if it submits a request for waiver to the*
27 *executive board. The executive board shall grant the waiver, and*
28 *the waiver shall remain valid unless and until the Controller*
29 *determines, at a later date, that the athletic program receives*
30 *annual revenue derived from media rights of at least an average*
31 *of ten million dollars (\$10,000,000) in annual revenue over the*
32 *duration of the contract. The Controller shall periodically review*
33 *the media rights arrangements of institutions of higher education*
34 *subject to this part.*

35 (e) (1) *An institution of higher education subject to this chapter*
36 *shall pay to the State Trust Fund an annual fee that shall be the*
37 *sum of the following:*

38 (A) *An amount determined by the Controller to be equal to 25*
39 *percent of the most expensive cost of attendance among the*
40 *institutions of higher education in this state subject to this chapter,*

1 multiplied by the total number of football and basketball student
2 athletes who receive an athletic scholarship at that institution of
3 higher education.

4 (B) An amount that equals the athletic scholarship shortfall
5 amount at the institution of higher education, as determined by
6 the Controller, plus interest based on each year's unsubsidized
7 federal Stafford Loan interest rate, multiplied by the total number
8 of football and basketball student athletes who receive an athletic
9 scholarship at any point during the academic year at that
10 institution. The Controller shall adjust this amount annually for
11 inflation according to the Consumer Price Index compiled by the
12 Bureau of Labor Statistics of the United States Department of
13 Labor. The State Trust Fund shall return this amount to the
14 appropriate institution of higher education if the Controller does
15 not encumber these funds and the funds are not used within two
16 years from the annual fee deadline date.

17 (2) A separate account shall be established in the State Trust
18 Fund for depositing the fees paid by each institution of higher
19 education subject to this chapter.

20 67456. An institution of higher education shall pay all fees by
21 June 1 of each academic year beginning on June 1, 2013. Each
22 athletic program shall pay a late fee of fifteen thousand dollars
23 (\$15,000) for each calendar day after the deadline that the fee
24 payment is late. Any late fees shall be paid directly to the State
25 Trust Fund, and shall be subsequently distributed evenly among
26 the eligible fund recipients whose funds are put at risk due to a
27 late payment.

28 67457. An institution of higher education shall set aside an
29 amount equal to the amount described in subparagraph (B) of
30 paragraph (1) of subdivision (e) of Section 67455 exclusively for
31 achieving compliance with the gender equity requirements of Title
32 IX of the Education Amendments of 1972 (20 U.S.C. Sec. 1681 et
33 seq.). If Title IX compliance in athletics, as determined by the
34 executive board, is achieved for a period of four consecutive years,
35 any of these funds not necessary for continuously maintaining Title
36 IX compliance shall not be subject to this section.

37 67458. (a) The executive board shall make public the amount
38 of fees collected from each athletic program and shall submit a
39 detailed report to the Governor and the Legislature on or before
40 August 1, 2014, and on or before August 1 every three years

1 *thereafter. The report required by this section shall be submitted*
2 *pursuant to Section 9795 of the Government Code.*

3 *(b) This section shall become inoperative on January 1, 2021.*

4 ~~SECTION 1. It is the intent of the Legislature to enact~~
5 ~~legislation that would accomplish both of the following:~~

6 ~~(a) Ensure that the academic and medical expenses of~~
7 ~~student-athletes who are injured and no longer able to compete on~~
8 ~~behalf of California's postsecondary educational institutions are~~
9 ~~fully covered.~~

10 ~~(b) Ensure that the state's postsecondary educational institutions~~
11 ~~fully comply with the gender equity requirements of Title IX of~~
12 ~~the Education Amendments of 1972 (20 U.S.C. Sec. 1681 et seq.).~~